



## Message From Chancellor Nancy Cantor

Dear Members of the University Community:

This past fall, in a message to the campus community, I announced the creation of the Working Group on Sustainable Benefits to examine our current portfolio of employee benefits. The Working Group process was designed to provide input to me and other University leaders, and the Board of Trustees, as we work to ensure that we have a sustainable benefits plan and one that fits our values as a strong employer and an inclusive, caring campus community.

Today, I write to share a report and propose a set of benefit changes and benefit enhancements informed by extensive discussions that engaged the diverse perspectives of the Working Group. I believe that this has been a very thoughtful process grounded in the values of our campus community and its many constituencies, and it is now time for even broader campus consultation and feedback.

The challenge of balancing strong, inclusive benefits with fiscal sustainability, especially in a context of escalating health care costs, gets harder and harder every year, and certainly is under the spotlight in the current economic climate. Nevertheless, this is the balance that I am committed to achieving and the one that framed the discussions of the Working Group over the last several months. To keep this balance front and center, we focused always on the following four values and principles:

- *Affordability & Sustainability*—maintaining the commitment to providing comprehensive employee benefits and keeping costs affordable moving forward.
- *Competitiveness*—providing a benefits package that helps recruit and retain faculty and staff.
- *Cutting Edge*—providing forward-looking programs that are based on the best practices of our peers, provide employees choice, and leverage University resources effectively.
- *Community*—ensuring changes and enhancements reflect our community’s values of inclusion, equity, and access.

As an institution, our fringe benefit costs are considerable and mounting, budgeted at \$113 million this fiscal year. Therefore, to sustain our benefit portfolio, the proposal I am sharing today does suggest changes in each of the three large benefit areas that we can affect – retirement, health care, and educational benefits. At the same time, and in keeping with the value we place on community, it tries to be very mindful of how unsettling any change in benefits can be, and even more so in the current environment when individuals and families are feeling the strains of the economy directly. The model that I am proposing weighs carefully the impact that benefit changes have on all employees, with a specific emphasis on lower-paid employees and/or

those with low household incomes. Additionally, it includes a set of benefit enhancements that keep our plan at the forefront of our peers and in our region -- employee choice in the direction of some University contributions, a more inclusive definition of family, enhanced childcare support, and a wellness program that can positively impact both employee health and the overall affordability of health care.

The expansive and inclusive membership of the Working Group itself proved invaluable in considering the trade-offs inherent in proposing these particular changes and enhancements, and in balancing community values with fiscal sustainability. The meaningful input and collaboration of this diverse group has, I believe, allowed this proposal to reflect closely the goals we set at the beginning of this process. However, I am certainly open to more input and so have arranged for several forums where members of the campus community can learn more, ask questions, and provide feedback. These will take place on: Tuesday, January 26th at 4:00 p.m. in the Hergenhan Auditorium at Newhouse 3 and Monday, February 1st at 4:00 p.m. at Hendricks Chapel. I hope you will join me and other University representatives at these forums.

The report with my proposed changes and enhancements is available on a dedicated website which also contains a set of Frequently Asked Questions and a place to submit questions and comments. The website can be reached through the MySlice system at [myslice.syr.edu](https://myslice.syr.edu). Look for a box called "University Information" and the title "Report on Sustainable Benefits Website" for a link to it.

After receiving feedback at the forums, at a special meeting on March 3rd of the University Senate, and from the web site, I will finalize the proposal in preparation for presentation to the Board of Trustees on March 11th.

Although I fully understand my fiduciary responsibility, along with the Board of Trustees, to determine how best to meet our community's needs while also reflecting our fiscal realities, I am very grateful for the remarkable commitment of time, thought, and talent already demonstrated by the members of the Working Group, and I look forward to engaging with others across campus in the coming weeks.

This is a critical time of reflection on our values, as we strive to keep momentum in recruiting and retaining our dedicated and inspiring faculty, staff, and graduate assistants. These benefits changes and enhancements are but one piece of a recipe for sustainability. We want to prepare for a salary merit pool increase for next fiscal year, contain tuition increases and strongly support our students with financial aid, and embark on faculty searches, among other priorities. I truly believe that we can prosper, as we support each other across our remarkable campus community – we did last year, and we will again in this new year and beyond.

Cordially,

Nancy Cantor



*Syracuse University*  
*Report on Sustainable Benefits*

**January 22, 2010**

## *SU Report on Sustainable Benefits*

This past fall, Chancellor Nancy Cantor appointed a campus-wide Working Group on Sustainable Benefits to carefully assess the benefits provided to Syracuse University faculty and staff<sup>1</sup>. The purpose of the Working Group was to provide meaningful input and consultation to help University leaders develop a set of benefits changes and enhancements. This report summarizes the Working Group process and the University leadership's proposal.

### Setting the Context

For a number of years, there have been discussions among University Senate committees, deans, administrators, trustees and others about ways to accommodate shifting benefits needs and expectations of employees, while addressing escalating benefit costs and ensuring the University's ability to continue to support a strong benefit plan.

Currently, the University's cost of providing fringe benefits to its 6,200 benefits-eligible employees totals \$113 million.<sup>2</sup> In recent years, the overall cost of benefits here and across the nation has risen considerably, especially in the domain of health care, and the composition and needs of the workforce have changed as well. Together, these trends necessitate a comprehensive review of the structure and level of employee benefits at SU.

The goal was to examine the major benefit areas that the University can affect -- retirement, health care, and educational benefits -- so as to produce savings that would contribute \$3 million towards the University's existing costs while also generating comparable levels of additional savings to invest in critical benefits enhancements.

Four values and guiding principles set the framework for this task:

- *Affordability & Sustainability*—maintaining the commitment to providing comprehensive employee benefits and keeping costs affordable moving forward.
- *Competitiveness*—providing benefits that help recruit and retain faculty and staff.
- *Cutting Edge*—providing forward-looking programs that are based on the best practices of SU's peers, provide employee choice, and leverage University resources effectively.
- *Community*—ensuring that changes and enhancements reflect the SU community's values of inclusion, equity, and access.

---

<sup>1</sup> For the charge to the Working Group, see Appendix A.

<sup>2</sup> For additional details on University benefits, see Appendix B.

The broader context of the tight financial environment for all of higher education and the University's own specific priorities also served as an important backdrop for this task. Most relevant to the Working Group's discussions was the widely shared desire, endorsed by University leadership, to provide a salary merit pool increase for faculty and staff in the coming fiscal year.

### **The Composition and Process of the Working Group**

To accomplish this task, the Working Group was composed<sup>3</sup> to reflect the diversity of the campus and ensure that the scope of constituent views was well represented as these issues were considered. It included representation from a broad cross-section of employees and demographic groups including University administrators, faculty and staff members from relevant University Senate committees, deans, trustees, bargaining and non-bargaining unit groups, and graduate students.

The Working Group met weekly and examined current SU benefits and a wide range of demographic data on the broad distribution of salary, family income, family composition/size, stage of career, age and length of service among SU's employees. It also considered financial and benchmarking information and data and engaged in an examination of possible savings and benefit enhancements aligned with the four values and guiding principles. Discussions stressed the importance of finding a combination of changes that would not disproportionately affect any single group and developing enhancements that would meet the needs of SU's workforce.

Overall, the Group provided constructive, beneficial advice to University leadership centered on the mix and shape of benefits going forward. Below is a set of proposed benefit changes and benefit enhancements, shaped by University leadership and meaningfully informed by the diverse perspectives of the Working Group.

## **A Proposal for a Sustainable Benefits Model**

### **BENEFIT CHANGES**

#### **Retirement Benefits**

- *Sustain the TIAA-CREF retirement benefit by moving University contribution from 11% to 9% (with employee option to use "Choice Dollars" to reach up to 10%)*

It is common for colleges and universities to contribute to employee retirement accounts, but many institutions vary their contribution level based on employee age, length of service, faculty status, and/or whether the employee contributes to their own retirement. SU has chosen not to do this to ensure a consistent benefit for all faculty and staff. Currently, SU contributes the equivalent of 11% of an employee's eligible earnings annually to a retirement account managed by TIAA-CREF.<sup>4</sup>

---

<sup>3</sup> For composition of the Working Group, see Appendix C.

<sup>4</sup> SU's contribution is contingent on certain requirements, such as completion of a year of service, which may be waived for employees coming from another accredited institution.

Overall, the retirement benefit at SU is expensive, consuming \$29 million and 25% of the total cost of employee benefits. To ensure the sustainability of the benefit while enabling SU to remain competitive with its peers in this regard, this proposal would change the University’s base contribution to employees’ retirement plan from 11% to 9% of eligible annual earnings.

With these changes, SU would remain competitive among its benchmarked peers. According to the benchmarking data<sup>5</sup>, only one university out of 16 in the peer group offers an unconditional base university contribution to all employees higher than the 9% base contribution provided under this proposal.

Importantly, employees would have the option of directing new “Choice Dollars” (see details in Appendix G) contributed by the University toward their retirement. Employees who choose to allocate all of their new Choice Dollars (equivalent to 1% of their salary) would see a total 10% contribution from the University to their TIAA-CREF retirement accounts.

In light of the value that has been placed on inclusion, equity, and access, this proposal has a standard University contribution for all employees. However, there was considerable discussion in the Working Group regarding the importance of encouraging voluntary contributions by employees. It was suggested that a small task force be formed to consider best practices in providing flexibility in retirement planning, including new investment vehicles and additional retirement providers. The University leadership agreed to constitute such as group.

- *Institute a timeline by which individuals leaving employment with SU become eligible to receive 100% of the University’s contribution to TIAA-CREF*

This proposal would support financial sustainability—and, at the same time, specifically promote and reward longevity at SU—by altering the terms under which employees may take the University’s retirement contributions with them if they leave employment within the first six years. At some peer institutions, employees who leave within the first five or six years of employment are not eligible to take any of their institution’s retirement contribution with them. Currently at SU, employees who leave employment are eligible to take 100% of any University retirement contributions with them, and the employee is referred to as being “vested.” Under the proposed change, SU would institute a sliding timeline for employees to become vested gradually over the first six years of employment. This proposal would be implemented as in the following table.

---

<sup>5</sup> For peer benchmarking group, see Appendix D.

<b>Years of Service to SU</b>	<b>% of the University's Retirement Contribution Employee Receives If Employment Ends<sup>6</sup></b>
Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6 or more	100%

### **Health Care Benefits**

- *Ensure sustainability of health care benefits by increasing percentage of employee contribution to health insurance premiums except for graduate assistants and employees in lower-income households*

As is indicated earlier in the report, health care costs nationally are escalating. At SU, health care accounts for almost 30% of all employee benefits costs and this year alone the University is several millions of dollars above budget for these costs.

Since the University is self-insured, and therefore responsible for paying actual health care costs, it needs to make sure it can meet its responsibilities and continue its commitment to offering comprehensive health coverage for employees and their families.

This proposal would move the employee contribution rate for health care costs from 21.9% to 25%, but retain the current 21.9% rate for all graduate assistants and for employees in lower-income households. As in the current SU MAP program, limits for lower-income households would be determined by the number of qualified employees and these levels are expected to be in the range of \$33,000 for single employees and \$66,000 for families.

For this benefit, benchmarking data and best practices from other significant employers in the Central New York region were utilized<sup>7</sup>. Analyzing health care costs regionally is the most effective way to benchmark because costs vary dramatically across different geographic regions of the country. Under this proposal, SU will remain highly competitive with its regional peers.

---

<sup>6</sup> Current SU employees with less than six years of service would retain 100% of the University's contribution to their TIAA-CREF account made prior to implementation of the revised plan.

<sup>7</sup> Benchmarking data for health care benefits came from a recent survey conducted by the Manufacturers Association of Central New York. Since respondents to that survey were promised confidentiality, they are not identified in this report.

- *Offer four tiers of rates for employee medical contributions rather than three*

Currently SU offers medical plan contribution rates according to three possible family scenarios: *Employee Only*, *Employee Plus One*, and *Family*. This current structure does not acknowledge the higher average health care costs for adults as compared to children. This proposal would move the University to four family categories: *Employee Only*, *Employee Plus Spouse/Domestic Partner*, *Employee plus Child(ren)*, and *Employee Plus Spouse/Domestic Partner Plus Child(ren)*. This new structure would recognize and distribute costs more equitably between adults and children. It would result in reduced costs for single-parent families or employees who cover their child(ren) but not their spouse or partner. It would increase contribution rates for those who cover an adult spouse or domestic partner. The proposal would also keep SU competitive as many peer institutions set health care rates on this type of four-tier schedule.

### **Educational Benefits**

- *Phase out dependent tuition benefit for SUNY-ESF employees, while grandfathering those dependents enrolled by fall 2010*

Currently, dependents of State University of New York College of Environmental Science and Forestry (SUNY-ESF) employees receive a tuition benefit at SU equivalent to that provided to dependents of SU employees. While the institutions have a close relationship, placing the tuition benefit for ESF employees in the SU benefits pool is a vestige of a time when there was a school of forestry at SU. This proposal would phase out this benefit while grandfathering dependents of ESF employees who enroll at SU by fall 2010. SU wants to continue to provide financial aid support to ESF employee dependents, but because ESF does not contribute to the SU benefit pool, it is more practical to consider issues of ESF dependent tuition within the context of SU's financial aid program, and the University is committed to doing that.

- *Maintain the remitted tuition benefit by instituting a co-pay for employees/retirees and spouses and same-sex domestic partners of employees/retirees*

Remitted tuition benefits advance the intellectual and professional development of SU employees and their spouses. The University is committed to maintaining this benefit while recognizing it constitutes a real, escalating cost. This proposal would institute a 5% co-pay for employees/retirees and a 15% co-pay for spouses and same-sex domestic partners of employees/retirees. This modest co-pay would make the benefit more financially sustainable into the future without compromising its affordability for employees and their spouses and same-sex domestic partners.

- *Discontinue the remitted tuition benefit for spouses and same-sex domestic partners of graduate assistants and fellows*

Given changes proposed in the overall area of employee tuition benefits, the University believes it can no longer extend this benefit to graduate assistants' and fellows' spouses and same-sex domestic partners. This change would not affect tuition support that is in place for the graduate assistants or fellows themselves.

- *Maintain employee dependent tuition benefit by instituting a salary-sensitive employee co-pay, while grandfathering those dependents enrolled by fall 2010*

The full dependent tuition benefit is a distinguishing benefit of working at SU and is among the most generous regionally and nationally. The Working Group expressed broad support for preserving the dependent tuition benefit because it underscores the University's commitment to increasing access and opportunity for higher education, and makes SU a very attractive place to work. The University is committed to maintaining this important benefit while keeping its cost sustainable.

For this proposal, a group of 28 AAU peers that have dependent tuition benefits similar to SU were used for benchmarking purposes<sup>8</sup>. Approximately half of these institutions cap the benefit at 50% of tuition. SU is currently part of a group of only eight that provide 100% tuition for all qualified employees.

To ensure that this benefit can be sustained, and with the goal of protecting the lowest-paid employees, this proposal would institute an employee dependent tuition co-pay based on a sliding scale according to salary. Employees with a base salary of less than \$50,000 would have no co-pay; employees with a base salary of \$50,000 to \$99,999 would have a 5% co-pay; and employees with a base salary of \$100,000 or above would have a 10% co-pay. Dependents enrolled at SU by fall 2010 would be grandfathered under this proposal.

Due to the fact that many SU staff will not be subject to a co-pay, and the co-pay is at a low level, under this proposal SU will still remain in the top tier of this benchmarking group.

As indicated, this proposal recognizes that SU is committed to increasing access to and affordability of higher education opportunity. That commitment undergirds many programs and priorities at the University. While the University leadership believes that a family contribution, on the scale of the contribution expected in the Tuition Exchange Program, is fair, it also recognizes that some individuals make a career decision to work at SU in lower-paid positions specifically to increase their family's access to education. Consequently, the model uses a sliding scale for the co-pay that is connected to University salary.

---

<sup>8</sup> For list of peer benchmarking institutions, see Appendix E.

## **Total Benefit Savings**

In sum, all of these changes and adjustments in the current benefits structure would save approximately \$7.1 million, 6.3% of total benefit costs, in the first year of full implementation. Of this amount, \$3 million would be applied to meet the University's existing costs, and \$4.1 million applied to the series of benefit enhancements described below<sup>9</sup>.

## **PROPOSED BENEFIT ENHANCEMENTS**

The following benefit enhancements are being proposed by University leadership in keeping with the values and framing principles, the diverse needs of employees, and suggestions and proposals from various University committees in recent years.

- *Provide Choice Dollars to faculty and staff equal to one percent of salary*

Under this proposal, the University would contribute "Choice Dollars" equal to one percent of each employee's salary to an account. Employees would have the discretion to designate each year how this portion of the University's contribution would be used on their behalf. For example, employees could choose to use these funds to: contribute to TIAA-CREF or a Roth IRA; offset remitted and/or dependent tuition co-pays; direct dollars to a Health Care and/or Dependent Care Flexible Spending Account; pay life insurance premiums; or take the funds as wages. Depending on specific use, the funds may be subject to income tax.<sup>10</sup>

Throughout an employee's career or family life, demands and priorities for investment may shift. By increasing employee choice, this proposal recognizes the diverse and dynamic needs of employees and their families, and therefore supports recruitment and retention.

- *Offset Same Sex Domestic Partner tax penalty up to \$1,000 per year for those enrolled in a University medical plan*

The University provides access to medical benefits to same-sex domestic partners, but because of federal law, those benefits are subject to income tax, in contrast to the same benefits offered on a pre-tax basis to employee opposite-sex spouses. In October 2007, the University Senate proposed developing a plan to offset this unequal and inequitable tax treatment of same-sex domestic partner benefits. The proposal would provide an offset of up to \$1,000 per year for those employees affected by this inequity. Adopting this proposal would demonstrate the University's value of inclusion and diversity and keep SU competitive among its peers.

- *Offer medical coverage to Opposite Sex Domestic Partners of employees*

The University currently provides access to medical benefits to spouses or same sex domestic partners of employees. In October 2007, the University Senate proposed extending health care

---

<sup>9</sup> See Appendix F for more detail.

<sup>10</sup> For examples of uses of Choice Dollars, see Appendix G.

benefits to opposite sex domestic partners. This proposal would extend this benefit, recognizing the diverse needs of SU's population and demonstrating the University's value of inclusion and diversity. It would also aid in recruiting and retention efforts, as benchmarking data show that an increasing number of SU's peers offer opposite sex domestic partner benefits.

- *Create a University Wellness Program*

Promoting wellness among students, faculty and staff is important in the overall health and quality of life of the University community. It also can reduce health-care costs over the long-term through prevention, screening and specialized programs. This proposal would create a University wellness program that would have an impact on a broad array of constituencies -- faculty, staff, undergraduate and graduate students -- across campus. The program would support activities such as healthy nutrition and fitness, stress reduction, smoking cessation, and health literacy. A University committee would be appointed to propose a specific plan for this initiative.

- *Create a new Childcare Initiative*

In response to surveys and other input about employee needs, and therefore to support the recruitment of faculty, staff, and graduate students, the University would develop an initiative to increase the subsidization of, and access to, childcare. The expansion of affordable childcare options to support a variety of family needs would be a priority. A University committee would be appointed to propose a specific plan for this program.

### **The Process Moving Forward**

This proposal has been developed to achieve savings that could be applied to existing costs and to benefits enhancements. It is aligned with the four values and guiding principles to ensure the University's benefits are affordable and sustainable, competitive, cutting edge, and inclusive, equitable and accessible. The changes in retirement, health care, and educational benefits are critical to affordability and sustainability, while keeping SU's plan competitive. Changes in educational and health benefits are designed to not disproportionately impact lower-paid employees and those from lower-income household, respectively, in line with the value the University places on education and access. These savings also enable a series of benefit enhancements intended to keep recruitment and retention of faculty and staff strong by supporting employee choice, inclusive definitions of family, and cutting-edge wellness and childcare programs. Collectively, they address many of the suggestions and proposals that have been made by members of the University community in recent years.

Accordingly, to continue campus consultation and feedback, Chancellor Cantor and University representatives will hold several informational forums where members of the campus community can learn more, ask questions, and provide feedback. The first forum will take place on Tuesday, January 26th at 4:00 p.m. in the Hergenhan Auditorium at Newhouse 3. A second forum will be held on Monday, February 1st at 4:00 p.m. at Hendricks Chapel. Questions and comments can also be submitted via the Sustainable Benefits Website reachable through the MySlice system at [myslice.syr.edu](https://myslice.syr.edu).

Following feedback received at the forums, at a special meeting on March 3rd of the University Senate, and from the web site, the Chancellor will finalize the proposal in preparation for presentation to the Board of Trustees on March 11th.

## **Appendix A**

### **WORKING GROUP ON SUSTAINABLE BENEFITS Fall 2009**

#### **Background**

As we consider ways to maintain our core mission and the quality of academic programs and support units while meeting the financial needs of our students, the University community must responsibly examine our system of employee benefits to ensure that they are both financially sustainable and tuned to the needs of our diverse workforce. There has not been a comprehensive evaluation of our benefits in several years, and over this period the composition of our workforce has changed, overall cost has risen, and, most recently, the University Senate has recommended that additional types of benefits be added to our overall portfolio. Additionally, two RCM Committee Task Forces established over the past four years have identified fringe benefits as an area that requires attention and modernization. Given the economic climate, this is the right time to assess how our benefits system compares to those of our academic peers and key regional employers, to determine the ideal mix of benefits for our workforce of today and tomorrow, and to ensure that our overall spending on benefits is financially responsible and sustainable over the long term.

A “Working Group on Sustainable Benefits” will be assembled to accomplish these important objectives during the Fall 2009 semester. The Working Group will include diverse voices from across the University, including members of the appropriate University Senate committees, deans, faculty, both unionized and non-unionized staff, the Board of Trustees, the University Administration, and a graduate student. By necessity, the timeline for the Working Group will be short so that ideas and decisions can be integrated into the current budget planning.

#### **Charge**

The Working Group on Sustainable Benefits (“Working Group”) is designed to be representative of the employed members of the University community. It is charged by the Chancellor to carefully scrutinize the level and mix of fringe benefits provided to the faculty and staff to ensure that their cost is sustainable in the near and longer term, that the mix is appropriate for the diverse needs of our employees, and that an appropriate and affordable degree of choice is provided. The Working Group should consider a range of factors, including the changing fiscal environment for higher education; escalating benefits costs; the level of benefits provided by our competition for faculty and staff talent, including both nationally and regionally; total compensation and the effect of regional cost of living; and the current fiscal state of the University. Further, they should carefully consider the diversity of employees at the University — including age, race/ethnicity, gender, sexuality, ability, and family status — to fashion a benefits package that fairly provides for the most important needs of the entire University community. The Task Force will meet during Fall 2009 and should complete its work in December so that the Chancellor and Board of Trustees can make final decisions that will become part of the FY11 budget process.

## **Appendix B**

### **Additional Detail on University Benefits**

Syracuse University offers a comprehensive benefits package to eligible employees that includes sponsored, as well as voluntary benefits. With sponsored benefits (including TIAA CREF, group health insurance, salary continuation, dependent tuition, adoption assistance, etc.), the University contributes towards part or all of the costs of the benefit. For the voluntary benefits (including vision, supplemental life insurance, group long term disability, group auto and home insurance, etc.), the University negotiates rates and terms on a group basis, and the employees who elect those benefits pay the rates in their entirety.

Of the \$113 million in total annual benefits cost, approximately \$25 million involves statutory benefits, which are largely determined by applicable laws and regulations, such as Workers' Compensation and FICA (Social Security tax). The remaining costs are almost entirely comprised of retirement benefits (\$29 million), healthcare benefits (\$33 million), and educational benefits (\$24 million).

## Appendix C

### MEMBERS OF WORKING GROUP ON SUSTAINABLE BENEFITS

Chancellor and President Nancy Cantor  
Vice Chancellor and Provost Eric F. Spina  
Executive Vice President and Chief Financial Officer Louis Marcoccia  
Associate Provost for Academic Administration Kal Alston

#### **Members of the University Senate**

Representative of the Senate Agenda Committee—Jonathan Massey, Architecture  
Representative of the Senate Budget Committee—Robert Van Gulick, Arts & Sciences  
Representative of the Senate Committee for Diversity—Robin Riley, Arts & Sciences/Maxwell  
Representative of the Senate Committee on Services to the Faculty and Staff—Angela Williams MLK Library, Arts and Sciences  
Representative of the Senate Committee on Women’s Concerns—Patricia Demyan, Faculty and Staff Assistance Program  
Representative of the Senate Committee on Lesbian, Gay, Bisexual, and Transgendered Concerns—Thomas Keck, Arts & Sciences/Maxwell

Academic deans—Douglas Biklen, Education; Lorraine Branham, Newhouse; Melvin Stith, Whitman  
Members of the SU Board of Trustees —Joanne Alper, Howard Phanstiel, Richard Thompson  
Faculty Representative to the Board of Trustees—Harvey Teres, Arts & Sciences  
Representative of the Health Care Advisory Council (HCAC)—Thomas Dennison, Maxwell  
Representative of Bargaining Units—Douglas McClure  
Other staff representatives—Steven Block, IST; Neal Powless, Student Affairs; Brian McLane, BBI  
Graduate Student representative—Evan Weissman  
Other faculty representatives—Aviva Abramovsky, Law; Keith Alford, Human Ecology; Ted Brown, Architecture; Shiu-Kai Chin, LC Smith; Anne Demo, VPA  
Staff to the Committee— Neil Strodel and Karen Morrissey, Human Resources; Gwenn Judge, Office of Budget and Planning

## Appendix D

### Peer Institutions for Benchmarking Retirement Plans

Boston University  
Brandeis University  
Brown University  
Carnegie Mellon University  
Case Western Reserve University  
Cornell University  
Duke University  
George Washington  
NYU  
Rice University  
RPI  
University of Notre Dame  
University of Rochester  
University of Southern California  
Vanderbilt University  
Washington University (St. Louis)

*This group of research institutions was benchmarked by an outside firm on behalf of SU. For the purposes of this report, the public institutions were removed because many of them are part of public state pension systems. All of the private research institutions from the report were included here.*

## Appendix E

### Peer Institutions for Benchmarking Dependent Tuition Plans

Boston University  
Brandeis University  
Brown University  
Case Western Reserve University  
Columbia University  
Cornell University  
Duke University  
Emory University  
Indiana University  
Michigan State University  
Northwestern University  
NYU  
Ohio State University  
Penn State University  
Princeton University  
Rice University  
Stanford University  
University of Arizona, Tucson  
University of Illinois (Urbana-Champaign)  
University of Maryland (College Park)  
University of Nebraska (Lincoln)  
University of Notre Dame  
University of Oregon  
University of Pittsburgh  
University of Rochester  
University of Southern California  
Vanderbilt University  
Washington University (St. Louis)

*This group of institutions was selected because they are AAU peer institutions that have a dependent tuition benefit. There is differentiation in the group along many dimensions (including limits on number of dependents or semester or eligibility). The only variable compared in this benchmark was the maximum percent of the tuition paid in the benefit.*

## Appendix F

### Savings/Costs Estimates

All of the actual savings and costs in these proposals have yet to be specifically determined. This will depend on a series of factors, such as the number of employees who utilizes benefit enhancements and the cost to mount these programs. For the purposes of providing an estimate, below is an approximation for Fiscal Year 11

<b>Benefit Changes</b>	<b>Estimate for FY11 Savings</b>
Sustain retirement benefit by moving University TIAA-CREF contribution from 11% to 9%	\$5.2 million
Institute timeline by which individuals leaving employment become eligible to receive 100% of SU contribution to TIAA-CREF	<i>Savings achieved over time</i>
Ensure sustainability of health care benefits by increasing percent of certain employees' contribution to health insurance premiums	\$600,000
Offer 4 tiers of rates for employee medical contributions rather than 3	\$500,000
Phase out SUNY-ESF dependent tuition	\$300,000
Maintain remitted tuition benefit by instituting co-pay for employees/retirees and spouses and same-sex domestic partners of employees/retirees	\$300,000
Discontinue remitted tuition benefit for spouses and same-sex domestic partners of graduate assistants and fellows	\$200,000
Maintain employee dependent tuition benefit by instituting salary-sensitive employee co-pay	<i>Savings achieved over time<sup>11</sup></i>
<b>Total</b>	<b>\$7.1 million<sup>12</sup></b>
<b>Benefit Enhancements</b>	<b>Uses</b>
Provide 1% of regular employee earnings as Choice Dollars	\$3 million
Offset Same Sex Domestic Partner tax penalty up to \$1,000 per year	\$300,000
Offer medical coverage to Opposite Sex Domestic Partners	\$600,000
Allocate funding for a University Wellness Program	\$100,000 <sup>13</sup>
Allocate funding for Childcare Initiatives	\$100,000 <sup>14</sup>
<b>Total</b>	<b>\$4.1 million</b>
<b>Remaining savings to meet existing University costs</b>	<b>\$3 million</b>

<sup>11</sup> Due to grandfathering provision, savings would phase-in over time, reaching approx. \$330,000 by FY16

<sup>12</sup> Equals 6.3% of total SU benefit costs

<sup>13</sup> Additional \$100,000 phased-in Year Two

<sup>14</sup> Additional \$400,000 phased-in Year Two

## Appendix G

### Examples of Choice Dollar Uses

Choice Dollars may be used at the discretion of employees in the following ways:

#### Retirement

- Applied to 403(b) voluntary pre-tax retirement savings Pre-tax; subject to FICA
- Applied to future Roth 403(b) post-tax retirement savings Post-tax
- Taken as earnings to be applied by employee for private investment Post-tax

#### Child Care or Elder Care

- Applied to Flexible Spending Accounts for dependent child or elder care Pre-tax; not subject to FICA
- Taken as earnings to be applied by employee for child care or elder care Post Tax

#### Health/Educational Benefits

- Used as offset for employee contributions for:
  - Medical and Prescription Drugs Pre-tax; not subject to FICA
  - Dental Pre-tax; not subject to FICA
  - Vision Pre-tax; not subject to FICA
  - Life Insurance Post-tax
  - Long Term Disability Post-tax
  - Long Term Care Post-tax
  - Group Home & Auto Post-tax
- Applied to dependent tuition co-pay Post-tax
- Applied to Health Care Flexible Spending Accounts Pre-tax; not subject to FICA

#### Other

- Taken as earning for other uses Post-tax